

Division of Healthcare Finance
 Projected Reserve Calculation: -2% contribution rate in PY 2014 & 8.9% out years
 Medical, Pharmacy, Dental and Vision
 Date of Projection: 4/15/2013

Plan Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	Actual Factors and Assumptions in PY2012	Projected Factors and Assumptions.....										
Factors and Assumptions												
Interest Rate on Reserves	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%
Admin/Contract Fee Trend	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%
Kansas Healthcare cost trend rate	5.0%	6.0%	6.5%	6.5%	7.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
	HCC Policy Choices in May 2011	HCC Policy Choices by May 2012	HCC Policy Choices by May 2013	Future Policy Choices.....								
Policy Choices												
Employer Contr. % incr. (eff. July 1)	7.5%	0.0%	-2.0%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%
Employee Contr. % incr. (eff. Jan 1)	44.0%	0.0%	-2.0%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%
Dependent Contr. % incr. (eff. Jan 1)	-7.4%	0.0%	-2.0%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%
Direct Bill Contr. % incr. (eff Jan 1)	14.7%	0.0%	-2.0%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%
Plan design changes % impact on expenses		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Reserves												
Beginning reserve earning interest	12,017,362	12,030,660	12,181,043	12,333,306	154,652,299	129,897,147	110,241,923	94,494,762	83,497,138	78,191,282	79,630,871	88,992,777
Beginning reserve not earning interest	102,929,048	158,309,374	195,322,523	178,259,757	0	0	0	0	0	0	0	0
Beginning Total Reserve Balance	114,946,410	170,340,034	207,503,566	190,593,063	154,652,299	129,897,147	110,241,923	94,494,762	83,497,138	78,191,282	79,630,871	88,992,777
Projected Cash Flow												
Total Employer Contributions	359,671,841	374,645,719	372,730,467	388,250,525	423,667,298	461,213,601	502,087,338	546,583,393	595,022,783	647,754,976	705,160,409	767,653,234
Total Participant Contributions	130,142,982	124,447,306	116,620,157	120,009,671	128,656,437	138,063,244	148,151,733	158,969,617	170,567,743	183,000,272	196,324,868	210,602,895
Total Contributions	489,814,823	499,093,025	489,350,624	508,260,196	552,323,735	599,276,845	650,239,071	705,553,010	765,590,526	830,755,248	901,485,277	978,256,129
Total Plan Expenses (Claims, ASO fees & contracted expenses)	434,434,498	462,079,876	506,413,390	544,355,126	579,012,041	620,555,784	667,364,255	717,731,818	771,940,096	830,293,051	893,118,756	960,771,316
Interest on Reserves	13,298	150,383	152,263	154,166	1,933,154	1,623,714	1,378,024	1,181,185	1,043,714	977,391	995,386	1,112,410
Net Cash flow	55,393,623	37,163,532	(16,910,503)	(35,940,764)	(24,755,152)	(19,655,225)	(15,747,160)	(10,997,623)	(5,305,856)	1,439,588	9,361,907	18,597,223
Projected Reserve Balance												
Reserve Ending Balance	170,340,033	207,503,566	190,593,063	154,652,299	129,897,147	110,241,922	94,494,763	83,497,139	78,191,282	79,630,870	88,992,778	107,590,000
Target Reserve	50,274,000	52,593,000	56,106,000	59,793,000	63,832,000	68,756,000	74,067,000	79,796,000	85,975,000	92,641,000	99,832,000	107,590,000
Difference between the Reserve Ending Balance and Target Reserve	120,066,034	154,910,566	134,487,063	94,859,299	66,065,147	41,485,923	20,427,762	3,701,138	(7,783,718)	(13,010,129)	(10,839,223)	0